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CITY CLERKS

The Hamilton Municipal

Retirement Fund

Effective Jan 1, 1985, the
Hamilton Municipal Retirement
Fund transferred into the Ontario
Municipal Employees Retirement
System (O.M.E.R.S.)



ANNUAL REPORT

1984

THE CORPORATION OF THE CITY OF HAMILTON

I N D E X

	Page No.
Members of The Hamilton Municipal Retirement Fund.....	1
Treasurer's Report.....	2 - 5
Auditor's Report.....	6
Financial Statements	
Balance Sheet.....	7 - 8
Notes to The Financial Statements.....	9
Reserve for Pensions.....	10 - 11
Analysis of funds on deposit with the Annuities Branch.....	12
Cash - Statement of Receipts and Payments.....	13
Investments	
Book Yields.....	14
Comparison of Investments.....	15 - 16
Summary of Comparison of Investments.....	17
Analysis of Bonds and Debentures.....	18
Purchases/Disposals.....	19

THE CORPORATION OF THE CITY OF HAMILTON

MEMBERS OF THE HAMILTON MUNICIPAL RETIREMENT FUND COMMITTEE

Appointed by the Council:

P. R. Cowell (Chairman), Member of the Council

R. M. Morrow, Mayor

P. W. Drage, Member of the Council

Members by virtue of their office:

E. C. Matthews, Treasurer

K. A. Rouff, Solicitor

E. A. Simpson, City Clerk

Members elected by the membership of the Fund:

D. S. Alford

J. V. Hamilton

D. G. Matthews

Financial Report prepared by:

E. C. Matthews, B. A., C. A., Treasurer

Auditors:

Spicer MacGillivray, Chartered Accountants

Investment Agent:

National Trust Company Limited

Administrators of the Fund:

E. C. Matthews, B. A., C. A., Treasurer

M. P. Kay, Secretary of the Committee and Supervisor
of Pensions and Group Insurance

THE CORPORATION OF THE CITY OF HAMILTON

City Hall, Hamilton, Ontario
Monday, April 29, 1985

To the Members of The Hamilton Municipal Retirement Fund Committee

In accordance with the provisions of By-law 7970, as amended, being a by-law to establish The Hamilton Municipal Retirement Fund, it is my pleasure to submit to you the Annual Report of the Fund for the year ended December 31, 1984.

There are attached and forming a part of this report, audited financial statements which set forth the financial transactions for the year ended December 31, 1984, and the status of the Fund as of that date. An examination of these statements reveals the following salient factors with comparison for the year 1983.

	<u>1984</u>	<u>1983</u>
Book Value of Investments as at December 31	\$143,262,096	\$135,725,510
Members' Contributions	\$ 1,672,078	\$ 1,709,407
Members' Contributions refunded due to Resignations and Deaths	\$ 139,869	\$ 87,300
Employer Contributions	\$ 2,652,479	\$ 2,294,637

In accordance with information provided by National Trust Company, our investment advisors, the total fund investment return for the twelve months ended December 31, 1984, including both capital and income, was 8.8%. It is to be noted that this calculation was compiled for National Trust by Pirbeck Ltd., a respected investment measurement firm. Based on book yield only, the average rate for the Fund for 1984 was 7.4% as can be referenced on Page 14.

THE CORPORATION OF THE CITY OF HAMILTON

An analysis of the 827 pensions payable as at December 31, 1984, reveals the following extended breakdown of annual payments to pensioners compared to prior years:

<u>From</u>	<u>To</u>	<u>1984</u>	<u>1983</u>
\$ 0	\$ 1,000	53	59
1,001	3,000	185	208
3,001	5,000	153	150
5,001	7,000	103	88
7,001	9,000	65	58
9,001	11,000	44	52
11,001	14,000	50	47
14,000	up	<u>174</u>	<u>140</u>
		827	802
		===	===

(The above figures include pensions payable to beneficiaries and reflect the 1984 increase to pensioners.)

In addition to these financial statistics, the following detail regarding the active membership (employees of the City and Region) of the Fund is of interest:

<u>Plan or Fund</u>	<u>Membership</u>		<u>1956</u>	(1)
	<u>1984</u>	<u>1983</u>		
<u>Corporation of the City of Hamilton</u>				
Civic *	3	2	1,359	
Fire *			330	
Police			359	
Fire	199	208		
Others	246	269		
<u>Regional Municipality of Hamilton-Wentworth</u>				
Civic *	1	1		
Police *	1	1		
Police	169	188		
Others	<u>180</u>	<u>183</u>		
	799	852	2,048	
	=====	=====	=====	

(1) The effective date of The Hamilton Municipal Retirement Fund was January 1, 1957.

* Employees registered under terms of the 1956 agreements prior to the 1957 revisions.

THE CORPORATION OF THE CITY OF HAMILTON

<u>Membership</u>	
<u>1984</u>	<u>1983</u>

Analysis of Membership Changes during the Year Corporation of the City of Hamilton

Membership - January 1	466	491
Terminations during the year		
(a) resignations	1	1
(b) deaths prior to retirement	2	0
(c) retirements on pension	<u>15</u>	<u>24</u>
Membership - December 31	448	466
	=====	=====

Regional Municipality of Hamilton-Wentworth

Membership - January 1	360	287
Terminations during the year		
(a) resignations	0	1
(b) deaths prior to retirement	2	1
(c) retirements on pension	<u>33</u>	<u>25</u>
Membership -December 31	351	360
	=====	=====
Total Membership - December 31	799	852
	=====	=====

Analysis of Service

Corporation of the City of Hamilton

Average length of service in years, of members who:		
- resigned during the year	20.25	19.83
- died during the year	22.33	-
- retired during the year	29.57	30.04

THE CORPORATION OF THE CITY OF HAMILTON

<u>Membership</u>	
<u>1984</u>	<u>1983</u>

Analysis of Service - Continued

Regional Municipality of Hamilton-Wentworth

Average length of service in years,
of members who:

- resigned during the year	-	22.58
- died during the year	29.50	23.75
- retired during the year	31.04	29.81

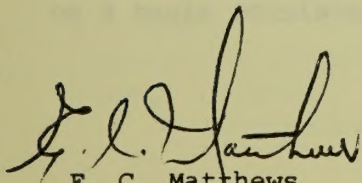
Effective July 1, 1984, a 4% general increase was granted to all H.M.R.F. pensioners who had retired prior the December 31, 1983. This increase was in accordance with the resolution passed by City Council in 1982 whereby increases granted by O.M.E.R.S. to their pensioners would be adopted by the H.M.R.F. Regional Council approves the increase (if any) on an annual basis.

Status of the Transfer of HMRF to

The Ontario Municipal Employees Retirement System - O.M.E.R.S.

In 1984, a vote of the "Others" group was held, the result of which was an overwhelming majority in favour of the transfer. The transfer was also approved by vote of the individual Unions and Associations. It is expected that the transfer will be completed in 1985, with an effective date of January 1, 1985.

Yours very truly



E. C. Matthews

Treasurer, The Hamilton Municipal Retirement Fund



Hamilton, Ontario
April 17, 1984
CITY OF HAMILTON
MAYOR
CITY CLERK



Spicer MacGillivray

Chartered Accountants

M.P.O. BOX 679,
4 HUGHSON STREET SOUTH
HAMILTON, ONTARIO L8N 3M5
TELEPHONE: (416) 523-7732
CABLE: ESSANO HAMILTON

AUDITOR'S REPORT

To the Members of The Hamilton
Municipal Retirement Fund Committee

We have examined the balance sheet of the Municipal Retirement Fund of The Corporation of the City of Hamilton as at December 31, 1984 and the statement of reserve funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Municipal Retirement Fund of The Corporation of the City of Hamilton as at December 31, 1984 and the results of its operations for the year then ended in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Hamilton, Ontario
April 19, 1985

SPICER MACGILLIVRAY
Chartered Accountants
Municipal Licence No. 1105 (1985)

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

BALANCE SHEET as at December 31, 1984

ASSETS

	1984 \$	1983 \$
Cash	<u>508,015</u>	<u>44,907</u>
Accounts Receivable	<u>37,251</u>	<u>-</u>
Investments - Market Value of investments including mortgages and leasebacks at amortized cost as at: December 31, 1983 - 136,455.818 December 31, 1984 - 146,789,058		
Short Term	<u>15,339,208</u>	<u>13,530,081</u>
Bonds		
Federal	8,849,988	13,822,881
Provincial	8,644,837	9,389,286
Municipal	33,891,193	36,708,986
Corporation	<u>17,528,943</u>	<u>19,945,068</u>
	<u>68,914,961</u>	<u>79,866,221</u>
Mortgages	4,419,601	4,578,015
Leaseback arrangements	4	2,818
Stocks - Common	53,721,617	37,660,981
- Preferred	<u>866,705</u>	<u>87,394</u>
	<u>59,007,927</u>	<u>42,329,208</u>
Total Investments	143,262,096	135,725,510
Accrued Income on Investments	<u>1,602,054</u>	<u>1,868,206</u>
	<u>145,409,416</u>	<u>137,638,623</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

BALANCE SHEET

as at December 31, 1984

LIABILITIES

	1984 \$	1983 \$
Accounts Payable		
Fees Payable to National Trust Company		4,340
Amount Payable to City/Region (contributions vs. pensions difference)		442,727
Reserves		
For pensions payable pursuant to the terms of a previous plan or fund - employer and employee contributions subsequent to January 1, 1957 on behalf of members of a previous plan or fund who have not elected to participate in the "standard terms"	12,152	13,781
For pensions payable from The Hamilton Municipal Retirement Fund	<u>145,397,264</u>	<u>137,177,775</u>
	<u>145,409,416</u> =====	<u>137,638,623</u> =====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

NOTES TO THE FINANCIAL STATEMENTS

as at December 31, 1984

1. Investments, other than mortgages, purchased prior to December 31, 1957, are recorded at par, while investments purchased subsequent thereto have been recorded at cost, adjusted annually for the amortization of premiums and discounts up to December 31, 1966. Since December 31, 1966, the practice of amortizing premiums and discounts has been discontinued. Mortgages are recorded at the principal amount owing.
2. Contributions remitted prior to January 1, 1957, to the Annuities Branch of Employment and Immigration Canada, on behalf of the members as at December 31, 1984, in the amount of \$282,197 are not reflected on this Balance Sheet.
3. Past service benefits for \$489,450, debentured in 1953 and forwarded to the Annuities Branch of Employment and Immigration Canada, amounted to \$250 at December 31, 1984. This amount is not reflected on the Balance Sheet.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

RESERVE FOR PENSIONS for the year ended December 31, 1984

	<u>1984</u>	<u>1983</u>
	\$	\$
Balance at the beginning of the year	<u>137,177,775</u>	<u>124,021,932</u>
Add: - Contributions - gross		
Employer	2,652,479	2,294,637
Employee	<u>1,672,077</u>	<u>1,709,407</u>
	4,324,557	4,004,044
- Income from Investments	<u>10,591,279</u>	<u>14,795,296</u>
	<u>14,915,836</u>	<u>18,799,340</u>
Deduct:		
- Pension Payments	6,209,869	5,371,958
- Contributions refunded, "standard"		
terms only due to resignations		
and deaths	139,869	87,300
- Administrative Expenses	211,178	184,239
- Commuted Pensions	<u>135,431</u>	<u>-</u>
	<u>6,696,347</u>	<u>5,643,497</u>
Net Increase for the Year	<u>8,219,489</u>	<u>13,155,843</u>
Balance at the end of the year	<u>145,397,264</u>	<u>137,177,775</u>
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

RESERVE FOR PENSIONS PAYABLE PURSUANT TO THE TERMS OF A PREVIOUS PLAN OR FUND

principal contributions subsequent to January 1, 1957,
by and on behalf of members who have not elected
to participate in the "standard" terms
of The Hamilton Municipal Retirement Fund
for the year ended December 31, 1984

	1984	1983
	\$	\$
Balance at the beginning of the year	13,781	13,781
Deduct - Refund on death	<u>1,629</u>	<u>-</u>
Balance at the end of the year	12,152	13,781
	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

STATEMENT OF FUNDS ON DEPOSIT WITH THE ANNUITIES BRANCH IN OTTAWA

Pursuant to the terms of a previous plan or fund
principal amount of future service contributions only
for the year ended December 31, 1984

Balance - at the beginning of the year	\$340,339
Deduct:	
Employer and employee contributions applicable to terminations during 1984 - Retirements	<u>58,142</u>
Balance at the end of the year	\$282,197 =====

In the year 1953 the cost of the past service benefits under the "Civic" Plan was valued at \$489,450. This sum was debentured and the proceeds remitted to the Annuities Branch. This account was valued at \$250 at December 31, 1984.

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

CASH POSITION - STATEMENT OF THE RECEIPTS AND THE PAYMENTS OF FUNDS by the National Trust Company Limited, Agent for the year ended December 31, 1984

	\$	\$	\$
Funds invested in excess of amount available at the beginning of the year			44,907
Add: Investments realized			
Maturities - Short Term	56,196,667		
- Long Term	<u>11,067,712</u>	67,264,379	
Sales - Short Term	3,322,231		
- Long Term	<u>60,880,259</u>	<u>64,202,490</u>	131,466,869
Income received - net			<u>11,796,519</u>
			143,308,295
Deduct:			
Investments purchases			
Short Term	52,501,294		
Federal Bonds	5,071,308		
Provincial Bonds	5,256,915		
Municipal Bonds	17,128,315		
Corporation Bonds & Deposits	21,170,219		
Common Stocks	38,814,488		
Real Estate	<u>4</u>	139,942,543	
Net Cash returned to City/Region:			
Returned to City/Region		2,633,000	
Administrative Expenses withheld from Fund		<u>224,737</u>	<u>142,800,280</u>
Funds on hand at National Trust Company Ltd. not invested at the end of the year			508,015
			=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND INVESTMENTS

BOOK YIELDS IN PERCENTAGE

Year	Short Term Notes	Bonds				Mortgage & Real Estate	Stocks	Average
		Dominion	Provincial	Municipal	Corporation			
1979		10.3	9.0	9.5	11.6	9.4	6.1	10.0
1980		11.3	9.7	9.5	12.8	10.0	4.6	10.4
1981		12.6	11.4	11.1	13.2	10.5	4.4	11.1
1982	10.7	12.5	11.1	10.8	11.2	11.1	4.0	10.2
1983	9.5	12.3	11.4	11.2	11.3	10.9	3.0	8.9
1984		12.8	12.2	11.3	11.9	12.1	3.7	7.4

INVESTMENTS (000's)

Year	Bonds		Stocks		Mortgage & Real Estate		Total		Market to Book Value Percentage
	Book	Market	Book	Market	Book	Market	Book	Market	
	Value \$	Value \$	Value \$	Value \$	Value \$	Value \$	Value \$	Value \$	
1979	74,055	66,427	6,899	8,872	4,698	4,698	85,652	79,997	98.4
1980	81,097	70,039	9,866	13,351	5,713	5,714	96,676	89,104	92.2
1981	91,037	75,817	13,128	12,404	4,910	4,831	109,075	93,052	85.3
1982	100,737	97,723	15,795	16,978	5,471	5,293	122,003	119,994	98.4
1983	93,396	90,565	37,748	41,263	4,581	4,628	135,725	136,456	100.5
1984	84,254	85,288	54,588	56,551	4,420	4,950	143,262	146,789	102.5

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

A COMPARISON OF THE INVESTMENTS BY CLASSIFICATION (Book Value in \$000's)

Description	1984		1983	
	Book Value	Percentage	Book Value	Percentage
I Bonds and Debentures				
(a) Short Term	<u>15,339</u>	<u>10.8%</u>	<u>13,530</u>	<u>10.0%</u>
(b) Federal	<u>8,850</u>	<u>6.2%</u>	<u>13,823</u>	<u>10.2%</u>
(c) Provincial				
Alberta				
British Columbia	1,452	1.0%	1,489	1.1%
Manitoba				
Ontario	5,019	3.5%	5,729	4.2%
Quebec				
Saskatchewan	<u>2,174</u>	<u>1.5%</u>	<u>2,171</u>	<u>1.6%</u>
	<u>8,645</u>	<u>6.0%</u>	<u>9,389</u>	<u>6.9%</u>
(d) Municipal				
Alberta	2,697	1.9%	1,479	1.0%
Ontario	31,194	21.8%	35,230	26.0%
Saskatchewan				
	<u>33,891</u>	<u>23.7%</u>	<u>36,709</u>	<u>27.0%</u>
(e) Corporation				
Beverages	374	.3%	374	.3%
Chemical	26		50	.1%
Financial	1,521	1.1%	1,936	1.4%
Foodstuffs	2,941	2.1%	3,099	2.3%
Gas	3,434	2.4%	3,587	2.6%
Merchandising	1,560	1.1%	2,268	1.7%
Mines				
Oils	203	.1%	346	.2%
Pipelines	539	.4%	539	.4%
Steel	2,181	1.5%	2,583	1.9%
Transportation	487	.3%		
Utilities	4,154	2.9%	4,664	3.4%
Unclassified	<u>109</u>		<u>499</u>	<u>.4%</u>
	<u>17,529</u>	<u>12.2%</u>	<u>19,945</u>	<u>16.5%</u>

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

A COMPARISON OF THE INVESTMENTS BY CLASSIFICATION - Continued

(Book Value in \$000's)

	1984		1983	
	Book Value	Percentage	Book Value	Percentage
II Mortgages				
National Housing Act	<u>4,420</u>	<u>3.1%</u>	<u>4,578</u>	<u>3.4%</u>
III Lease-Back Arrangements	<u>-</u>	<u>N/A</u>	<u>3</u>	<u>N/A</u>
IV Stocks				
Preferred	867	.6%	87	.1%
Common	<u>53,721</u>	<u>37.4%</u>	<u>37,661</u>	<u>27.7%</u>
	<u>54,588</u>	<u>38.0%</u>	<u>37,748</u>	<u>27.8%</u>
	143,262	100.0%	135,725	100.0%
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

A SUMMARY COMPARISON OF THE INVESTMENTS

(Book Value in \$000's)

		1984			1983		
		Book Value \$	Percentage	Average Yield	Book Value \$	Percentage	Average Yield
I	Bonds and Debentures						
	Short Term	15,339	10.8%	N/A	13,530	10.0%	9.5%
	(a) Canada	8,850	6.2%	12.8%	13,823	10.2%	12.5%
	(b) Provincial	8,645	6.0%	12.2%	9,389	6.9%	11.4%
	(c) Municipal/Regional	32,891	23.7%	11.3%	36,709	27.0%	11.2%
	(d) Corporation	<u>17,529</u>	<u>12.2%</u>	<u>11.9%</u>	<u>19,945</u>	<u>14.7%</u>	<u>11.3%</u>
		84,254	58.9%	11.74%	93,396	68.8%	11.9%
II	Mortgages	4,420	3.1%	12.1%	4,578	3.4%	10.9%
III	Leaseback Arrangements	-	N/A		3		6.1%
IV	Stocks	<u>54,588</u>	<u>38.0%</u>	<u>3.7%</u>	<u>37,748</u>	<u>27.8%</u>	<u>3.0%</u>
		143,262	100.0%	7.4%	135,725	100.0%	8.9%
		=====	=====	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

ANALYSIS OF BONDS AND DEBENTURES BY MATURITIES (000's)

Maturities	1984 \$	1983 \$	Maturities	1984 \$	1983 \$
1983	-	156	1997	6,360	6,578
1984	-	18,429	1998	1,425	1,563
1985	19,411	6,672	1999	4,228	4,330
1986	7,200	6,950	2000	3,371	3,571
1987	3,368	3,484	2001	1,184	1,184
1988	2,191	2,230	2002	5,132	6,132
1989	3,376	2,326	2003	1,510	1,810
1990	3,354	2,504	2004	1,706	4,089
1991	2,469	2,548	2005	250	250
1992	2,375	2,375	2006		
1993	7,160	7,160	2007		
1994	3,341	3,091	2008	1,600	1,600
1995	2,593	2,691	2009	500	500
1996	1,879	1,918	2010	850	
				<u>86,733</u>	<u>94,991</u>
				=====	=====

SUMMARY OF BONDS AND DEBENTURES BY MATURITIES (000's)

Years	1 9 8 4		1 9 8 3	
	Amount \$	Percentage	Amount \$	Percentage
1 - 5	35,546	41.0%	35,691	37.0%
6 - 10	18,699	21.5%	11,983	13.0%
11 - 15	16,485	19.0%	21,438	22.0%
16 - 20	12,803	14.8%	16,780	18.0%
in excess of 20 Years	<u>3,200</u>	<u>3.7%</u>	<u>9,099</u>	<u>10.0%</u>
	86,733	100.0%	94,991	100.0%
	=====	=====	=====	=====

THE CORPORATION OF THE CITY OF HAMILTON

THE HAMILTON MUNICIPAL RETIREMENT FUND

PURCHASES/DISPOSALS FOR THE YEAR 1984 (000's)

1 9 8 4	Stocks \$	Bonds \$	Total \$
Balance at the beginning of the year	37,519	93,626	131,145
Add: Purchases	38,550	101,392	139,942
Subtract: Disposals	22,226	109,081	131,307
Add: Profit/(Loss) on Disposals	<u>515</u>	<u>(1,453)</u>	<u>(938)</u>
Balance at the end of the year	<u>54,358</u> =====	<u>84,484</u> =====	<u>138,842</u> =====

1 9 8 3	Stocks \$	Bonds \$	Total \$
Balance at the beginning of the year	14,965	101,567	116,532
Add: Purchases	35,567	162,630	198,198
Subtract: Disposals	15,792	170,420	186,212
Add: Profit/(Loss) on Disposals	<u>2,779</u>	<u>(152)</u>	<u>2,627</u>
Balance at the end of the year	<u>37,519</u> =====	<u>93,626</u> =====	<u>131,145</u> =====

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